

Subcommittee on Children and Families - Re-Authorization of the Community Services Block Grant Program

Bill Number: Oversight

Hearing Date: July 10, 2003 - 3:00 PM

Witness:

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Testimony:

Mr. Chairman, Senator Dodd and members of the Committee and Subcommittee, thank you for this opportunity to discuss the reauthorization of the Community Services Block Grant.

At the outset, it is important to remind the Subcommittee that although Community Action Agencies have been identifying and meeting low-income community needs for almost thirty-nine years, the Community Services Block Grant is just now approaching its twenty-second year.

CSBG was created by Congress in 1981. From the beginning, it was seen as a program that combined the desire by a President and some in Congress to shift authority and responsibility for programs to the states while at the same time recognizing an equally strong desire by the Congress to maintain a funding stream to the nation's Community Action Agency network.

Congress recognized that the purpose and goals of a Community Services Block Grant program are different than the more specific purposes of the services and investments authorized, for example, the Social Services Block Grant or the Community Development Block Grant. The primary goal of the CSBG Act is to maintain the capability of the local Community Action Agencies to plan, mobilize and coordinate locally appropriate approaches to reducing poverty. The states are required to use 90% of their Grant for this purpose. The Community Action Agencies are charged with addressing several specific causes of poverty and with using certain strategies to do so. These strategies are not required by other federal programs for their delivery systems: they include the integration of multiple programs and services, prioritizing achievement of self sufficiency, and attacking local, and by extension national, causes of poverty, from community infrastructure and poor services to the mobilization of groups of residents to make social changes.

Community Action Agencies are intended to be stable, accountable, community-directed institutions, not projects, not single-purpose groups, not temporary, ad hoc organizations. The unique characteristics of CSBG-funded Community Action Agencies are worth repeating:

GOVERNANCE - Community Action Agencies (CAAs) are required to have a tripartite governing board consisting of equal parts of private sector, public sector, and low-income representatives of the community being served. This structure brings together leaders from each of these sectors to collaborate on responses tailored to local needs.

INNOVATIVE SOLUTIONS - CSBG funds give CAAs the flexibility to design programs that address needs specific to individuals and the local community.

COMPREHENSIVE SOLUTIONS - CAAs use CSBG dollars to coordinate multiple programs. CAAs provide services that address the full range of family needs - from Head

Start and family literacy, to child care and after-school programs, to youth and adult employment and training, to permanent housing and job placement, to asset building and budget counseling, to services for seniors and the frail elderly. Integrated service delivery is tailored to individual circumstances.

By Investing in the Community Services Block Grant, Congress has repeatedly confirmed that the unique characteristics of Community Action Agencies warranted continuing federal support. It now funds more than 1,100 agencies to maintain the leadership and capability for creating, coordinating and delivering comprehensive programs and services to almost a quarter of all people living in poverty.

Attached is a summary of the FY 2001 funding and client data, showing that this is a nearly \$9 billion system serving:

- o 98% of U.S. counties;
- o As many as 24% of persons in poverty; and
- o More than 13 million low-income who were members of about 4 million families.
- o Of these, over 1.7 million were “working poor” families who relied on wages or unemployment insurance.

It is worth noting that these data are collected by the voluntary Information System designed by task forces of state and CAA managers using the federal support mandated first in 1990 and later reinforced by provisions of the 1998 Human Services Reauthorization Act. It is implemented and analyzed by the National Association of State Community Services Programs, our state counterparts, working in close collaboration with our local, state and national CAA associations. (The very detailed state-by state full report is available at www.nascsp.org.)

In these reports, you will easily discern how poverty has changed since the beginning of Community Action in 1964; children and their families are more likely to endure periods in poverty than the elderly. They make up the majority of CAA clients. Workers’ families make up a far larger share of the poor, and, accordingly, CAAs’ biggest single group of participants is now the working poor and their families. Just about one quarter of Americans in poverty came to a CAA in 2001. Of these nearly half relied on, or had lately been relying, on wages.

We surveyed the CAAs in preparation for this hearing. In every part of the country, rural or urban, they told us their biggest need was for more resources and tools to support low-wage workers whose incomes are inadequate, who have few or no benefits, and whose employment is insecure. They also told us the biggest single problem in their communities is the cost of housing.

But does the Community Action method work in general, and do today’s CAAs in particular, make it work? First I have to point out CAAs beat its GPRA targets every year since 1999; these are set by the Administration on Children and Families. A table showing our results is attached. As you look at it, you might take note that the government raises the target by 1% each year regardless of the funding level of the programs. Fortunately, Community Action surpassed the expectations even before CSBG was increased to \$650 million. Many other programs which are not being singled out for changes or reductions today did not do as well, so we do question the way HHS selectively uses its performance measurement system.

Mr. Chairman, Community Action is truly a work in progress. Since its beginning in 1964 through the creation of the Block Grant in 1981 and up to today, every

reauthorization that this Committee has worked on has strengthened, improved, and focused the program. In 1998, we requested, and Congress provided, a mandate to develop better accountability and modern management tools for the local agencies. CAAs are very proud of that new system – Results Oriented Management Assessment (ROMA) that CAAs are pioneering locally. This system is capturing the outcomes of more than 200 program combinations invested in more than 4 million families and their com to get together and create a voluntary results-oriented management assessment system. We call it ROMA. Not yet 4 years later, it's a work that has been successful beyond all expectations. Harvard University's Kennedy School of Government made ROMA a 2002 nominee for the prestigious innovations in Government Award; in August 2001 the White House office of Faith-Based and Community Initiatives pointed out that CSBG stood almost alone as an HHS program with outcomes measured. Tracking results has had a significant management effect. CAAs are 86% private non-profit organizations, and the rest are tribes and local government organizations. All such entities struggle with limited management capital and training to keep management tools and information systems up to date. ROMA has brought new systems and healthy debate about new systems.

I have provided an outline of the steps to getting results measurement in place because we are proud of the process. It brought together in each of 50 states a total of 1105 agencies, their state managers, associations, as well as uncounted federal officials and management experts to agree on ways to measure participation outcomes for participants of about 400 programs coordinated with each other. Some programs, like Head Start, have their own very extensive measures that are reported separately to the Head Start Bureau. Nothing like this has ever been tried; you need only read the material from the many organizations that support the "independent sector" or the "third sector" - meaning private nonprofit organizations - to see how many kinds of organizations are struggling with challenges that are similar but involve far fewer goals and programs.

The reason for ROMA is not really to generate reports to Congress; the reason is to give the program managers at the local level the information they need to be more effective. Soon, good national reporting will emerge; now you have collections of complicated state reports. In this short period, CAAs have picked measures, tracked many participants' results for one or more years, written reports, changed programs, changed measures, and tried again. (We are all cheering each other on by recalling that "ROMA was not built in a day".)

The next step is to agree on a few national measures everyone will report on; a draft is circulating and we're having ongoing debates about what to include. When the measures capture the kinds of programs that will be described by my fellow witnesses today, we'll have a selection that allows Congress to see a small slice of the Community Action performance. It's astonishing to us that the Administration has suddenly proposed to federalize this undertaking, to impose measures on the network, and to turn this potential management tool into a punitive exercise instead of allowing managers to create useful information and feedback loops in the expectation of strengthening their work.

This comes from an agency which has no universal standard for states to use for managing or auditing local funding, which has failed to make timely grants when requested by states themselves for local and state agency management support or technical assistance. Further, no such federal testing is suggested for any other local

network or group of nonprofits. If, in fact, the Congress legislated the proposal before you, and agencies failed the federal test, whatever it might be, what other kind of private nonprofit would have also been measured and tested in the same way so that a “replacement “ would be demonstrably better? (ROMA by the way is not about fiscal systems and performance; the normal independent audit practices and OMB standards govern those operations. At issue is the quality of program operations.)

In short, we ask your continued confidence in the process you created 4 ½ years ago. We think the unique ROMA process is working and that it would be a big mistake to hand it to the federal agency to dictate measures and reports as proposed.

In fact, our belief in the power of performance measures is so strong that we want Congress to insist that the management by states and federal agencies also be measured. Our proposals for the elements to be measured include getting funding out on time, coordinating HHS and state poverty reduction programs internally with CSBG programs, and meeting basic financial standards.

Of course our work can be even better. We have specific recommendations for the Committee to consider during the reauthorization of CSBG. Generally they are: Amendments ensuring that the three fundamental purposes of CSBG are clearly stated and distinguished from public policies of contemporary concern to Congress. By this we mean that the goals of reducing poverty for individuals, of building community assets that reduce poverty conditions, and of maintaining CAA leadership that represents the communities served are restated for a new generation. Other important initiatives to meet this decade’s needs, such as TANF transition and literacy enhancement, should be given prominence in a new category of Programs of Emphasis. Amendments ensuring that the Community Services system has 21st Century management and accountability systems at the Federal and State levels, as well as at the community level.

By this we mean the adoption of common financial monitoring tools by all states so the standards applicable to private nonprofit recipients of federal grants are universally understood and applied. We also propose that HHS be held to high standard for its’ own efficiency, openness and oversight responsibilities regarding state management of the block grant.

An amendment providing flexibility in determining CSBG eligibility so that participants in CAA programs that support low-wage workers’ efforts to become economically self-sufficient are not disqualified from the programs as soon as they begin working in entry-level jobs.

We have attached a description of changes in each of the three categories. Legislative language and a more detailed explanation will follow.

The deep cut the administration has proposed for FY 2004 would devastate CAAs’ ability to marshal resources just as federal programs contract along with the economy. When Congress provided an increase in CSBG appropriations, the CAAs raised proportionately more non-federal resources. We have attached a table comparing the leveraging power of CSBG before and after the increase, by showing the size of all types of funding, other than federal grants, as a multiplier for the CSBG funds in each year. It shows CSBG increases had a disproportionate leveraging effect, in that the rate of growth in non-federal funds, not just the level, increased as CSBG funded significant resource

mobilization activities. Further, it shows that each CSBG dollar leveraged more state, local and private funding in FY 2001 than 5 years earlier.

The elimination of the Community food and Nutrition and Rural Facilities Programs are also surprising; no other programs perform the same functions nor are funds expected to be increased in the Departments named in the Assistant Secretary's testimony. We will be providing the Committee with additional information on these programs that are critically important to our network.

We are grateful once again that a strong bipartisan majority of this Committee and the Congress appear ready to reauthorize these two critical programs. We look forward to working with you to achieve this result.